

Executive Committee Meeting

December 7, 2012

Teleconference

Welcome and Roll Call

President Russ Brubaker called the meeting to order at 3:03 PM CST.

Committee Members Present

Russ Brubaker, Wayne Harper, Diane Hardt, Mike Eschelbach, Dwight Cook, Jerry Johnson, and Richard Dobson

Reports of Committees

- *Executive Committee report*

President Brubaker announced that Craig Johnson of Wisconsin will be the new Executive Director effective January 7, 2013. He reported that the Executive Committee is delighted to welcome him to Streamlined. Mr. Johnson said he is honored to lead the Streamlined Sales Tax organization. He said now more than ever it is important for the states to work together to improve the uniformity and simplification of sales taxes. He encouraged everyone to contact him with any issues that Streamlined Sales Tax should address.

- **State and Local Advisory Council (SLAC)**

President Brubaker reported that Christie Comanita plans to have a full report of SLAC's work for the December 12, 2012 Governing Board meeting.

- *Voucher Rule Workgroup*

Jerry Johnson reported that since the September Governing Board meeting this Workgroup has had a series of calls to work through the voucher rule and they have a revised draft of the rule. He said that on the Workgroup's teleconference 2-days ago it was the consensus of the Workgroup that the rule needs more work before being voted on a second time. The main outstanding issue deals with how vouchers are treated when acquired through bonus points or are given free. He said the Workgroup is also working on a white paper and have made a lot of progress in making the examples.

- **Finance Committee**

Richard Dobson said in reference to the September 2012 SSTGB meeting discussions in Utah the Finance Committee has been evaluating the continued commitment toward the Federal Lobbyist and extending it. He said a decision should be made by the Executive Committee regarding extending the contracts further. All comments indicate that we are still at a critical junction. He said the Finance Committee certainly recommends extending the contacts for at least another couple of months. He reported that at the end of fiscal year 2013, the budget would have a balance of approximately \$400,000 and there are funds currently available. He requested the status of the fundraising to supplement this effort. Wayne Harper said that Senators Deb Peters and Luke Kenley are working on that and he would follow-up with them. President Brubaker asked Wayne to report on that in the December Governing Board meeting.

Fall 2013 Annual Streamlined Sales Tax Governing Board Meeting

Diane Hardt announced that the fall 2013 Annual SSTGB Meeting will be held at the Madison Concourse Hotel in Madison, WI on Monday, October 28 through Wednesday, October 30, 2013. Sharon Tolbert-White is making the arrangements with the hotel for the guest rooms and meeting space contract. Ms. Hardt said the hotel space is only available on a Monday, Tuesday, and Wednesday therefore some attendees would need to arrive on Sunday night. The meetings will be in the same order as they have been previously with the SLAC meeting on Monday, the Executive Committee, Governing Board and BAC meetings on Tuesday and the half day meeting of the Governing Board on Wednesday.

Federal Legislative Update

President Brubaker asked Wayne Harper to provide the Federal Legislative update. Mr. Harper said they had a set of meetings this week in DC, mostly on Tuesday. He said they visited a lot of Senator and Congressional staff offices and much progress was made. He said they had indicated that they do not think the Bill will be passed in the lame duck but expect it to happen in the first half of 2013. Charlie Sewell said they have been meeting with all of the Bill sponsor staff. Currently Senator Durbin's office is discussing what can be done to satisfy the non-sales tax states. Senators Enzi, Alexander and Durbin feel they have a Bill that is ready to go when appropriate and in the likelihood of 2013. He said the negotiations from the Fiscal Cliff aren't going well, but they haven't discounted the possibility that something could still happen. He said they have made progress with a number of Senators who are looking to do something in January or February if at all possible. They feel they have minimized the opposition in the House. President Brubaker said he has spoken to a few people and while it seems doubtful that the Bill will pass in the lame duck, there are some who haven't given up on it happening then. He said it has been very encouraging to see the movement among individuals. The occasion for the lobbying over the last week was at the Counsel for State Legislature.

Discussion of Continuation of Federal Lobbyist Contracts for January

Richard Dobson made a motion to extend the Federal lobbyist contracts for January and February 2013. All committee member participants voted affirmatively and the motion carried.

Old Business

None

New Business

- *Tennessee membership status*

Scott Peterson said that last year the CRIC voted that Tennessee no longer met the requirements to be an Associate Member state. When they submitted their reports to the Governing Board last year, the Board referred the decision to the Executive Committee. President Brubaker said the Committee should resolve this today. Michael Eschelbach said under the Agreement the Associate State membership provisions were revised a couple of years ago. The Associate Member provisions state that notwithstanding anything in the Associate Membership provision or any lapse occurring after July 2009, a state after 2007 shall be an Associate Member state unless the Governing Board has found that state to be out-of-compliance with Section 805 or finds that state is no longer eligible for Associate Member status. Associate Member status is

conditioned with the state not being necessarily in-compliance with every provision, but simply requires that the state has achieved substantial compliance with the Agreement taken as a whole. Mr. Eschelbach said that in his view, Tennessee was qualified as an Associate Member in 2007. He said that up until the recommendation last year there was no change in Tennessee law or in Tennessee compliance with the Agreement as a whole in 2011 or 2012 that would put that state in jeopardy. President Brubaker said we all knew what the Tennessee issues were and it was understood that they were under no obligation to change those to remain an Associate Member. However, they would have to change it to become a full member. President Brubaker said he felt that the Executive Committee should find Tennessee in-compliance as an Associate member state. Dwight Cook asked if they had been found out-of-compliance. President Brubaker said the Governing Board did not agree with the CRIC, but referred the Tennessee status to the Executive Committee. Scott Peterson said this was at the end of the compliance call 12-months ago and there was enough confusion that it was generally believed that what was necessary was the focus of another discussion by a smaller group. There were no questions or comments. Mike Eschelbach made a motion that Tennessee be found in-compliance. All Committee member participants voted affirmatively and the motion passed.

Business Office Lease

President Brubaker said this discussion will be delayed until additional information is available.

Streamlined Implementation Workgroup

President Brubaker said he would like to appoint a chair for a Streamlined Workgroup of approximately 10 to 12 people with members of the retail community, CSP's, and state administrators to begin planning what Streamlined would need to do in preparation of the passing of the Bill. He said we need to start dividing the work and determine who will do what. He proposed that the Committee look at legal analysis, outreach, public relations and so forth, to implement this once the Bill passes including the administration with the states. He said the workgroup should lay out a plan of accountability for when the Bill passes. He suggested an exemplary chairman, Richard Dobson with his sales tax administration knowledge and proven record of dependability. He said we will also want the advice of state delegates and Business Advisory Council as to who they would have to work on this. He asked the Executive Committee for authorization to get the Committee up and running to establish that authority. Wayne said he and Russ have been talking about this the past few months to ensure that implementation is handled properly. He said he is in full support of President Brubaker's proposal as it will be essential. Mike Eschelbach made a motion to appoint the implementation of a Workgroup as President Brubaker outlined with Richard Dobson as the Workgroup chair. All Committee members present voted affirmatively and the motion passed.

Adjournment

With no other business, Dwight Cook made a motion that the meeting adjourn at 3:42 PM CST.